Notes on UMEH 2001-2002 report
by William K. Roland

Some of you may have already seen this report, which was obtained and translated from the original Burmese by the Federation of Trade Unions – Burma (FTUB), but for those of you who have not, I advise a very close reading. This report once again shows the absolute and direct dominance of the Burmese military over much of the Burmese economy, and reveals important relationships with foreign investors who have decided to put morals aside, and work hand-in-hand with the junta. Some of these relationships have been revealed and appropriate campaign actions taken – such as on Triumph International – but I would argue that there are other campaigns need to be started based on this information. The fact that it has taken more than three years for this secret report to surface shows the sensitivity of this information, and the extremely opaque nature of the Burmese economy which the SPDC has deliberately maintained to try and mask their economic dominance. The fact that foreign investors are steered towards UMEH and the military as partners, and that the SPDC ensures that it controls most of the remaining economic activities in the country that have the opportunity to turn a profit, has been conveniently ignored by Steinberg, Pedersen, and the other pro-engagement proponents. Leaving aside this small cabal of deluded ‘academics’, it’s been clear to many observers that providing resources through foreign investment into Burma is roughly equivalent to putting money and technical resources directly in the hands of the Burmese military. This report demonstrates clearly how this is the case.

These comments are made from the point of view of an activist, not an economic analyst. It would be helpful for a thorough economic analysis to be done on this report, since such an analysis could potentially reveal more interesting angles to be explored.

It is particularly interesting to see how shares of UMEH have been sold to all the key military commands, making it particularly clear that the owners of UMEH are precisely those regional commands that are involved in exacting forced labor, savaging ethnic women, and committing other heinous human rights abuses. This is the end of any argument about who UMEH really is.

Looking through the figures, most of the profits of these enterprises appear in Burmese kyats. It appears that figures are presented in US dollars and kyats that have been earned.

The information about Myanmar Ruby Enterprise (Gem) Company Ltd is particularly worrisome – though not surprising – since it is clear that the Ministry of Mines was long ago forced to turn over key gem enterprises to direct control of the military. “Blood gems” indeed – this is an entirely suitable label. Interesting to note also are the significant “supervisory fees” paid by companies directly to Burmese military Commands where the operations of the enterprises are taking place. Continued reading shows UMEH’s strong engagement in extraction of valuable natural resources – essentially, teaming up with opportunistic foreign and Burmese companies to loot Burma’s natural resource endowments for quick profits.
Myanmar Rubber Wood Co., Ltd is stated as planning to export ‘valuable furniture’ – has there been any sightings of furniture made from rubber wood (which likely would be promoted as ‘sustainable’ plantation-made furniture, i.e. not rare hard-woods)?

Cinmin Cement Production Enterprise – which is “contracted with” the China National Building Material Equipment Corporation and Yunnan Machinery Import and Export. Ultimately this is the frontier that the Burma democracy movement needs to challenge – Chinese companies engaged with the military, through secondary boycotts. If Chevron/Texaco can be persuaded to sell its stake in Yadana (acquired in the purchase of Unocal), the buyer will likely be Chinese. Promoting Western divestment and letting the Chinese come in, economically engage and pay no penalty for that engagement is not a viable long-term strategy. More research needs to be done on these and other Chinese companies named in the report, and where they have contracts in North America and Europe, those companies need to pay a price. They need to be forced into the same type of decision that the State of Massachusetts forced many US companies in the mid-90’s – choose whether you want to do business with us or business with Burma.

Ngwepinlael Fishing and Livestock Company – now we know what happens when the Burmese navy confiscates foreign fishing boats in Burmese waters – they get auctioned off, and the money goes in UMEH’s pocket. Again, the mentality of a ‘looting party’ seems to be the applicable UMEH business model. Three unnamed foreign companies are exporting Burmese fish and shrimp.

In Myawaddy Trading, it is interesting to note that through control of imports, UMEH and its’ partners are also making money. Among the partners listed is the USDA, the organization mobilized at least two times (at Depayin, and in 1996 in Rangoon) to try and kill Aung San Suu Kyi. USDA made 360 million kyat (approximately $US 400,000 if assume 900 kyat = $1.00) and the Organization of War Veterans made 257 million kyat ($US 285,500).

Exports of agricultural, fishery, tobacco and beer products are exported to a number of countries – but continuously to Singapore, which implies trans-shipping. If we are going to track these kind of shipments, and run them down to the final importers, we are going to have to get a better way of tracking shipments through Singapore. How can this be done? Interesting to note in this area are exports of seafood to England (who is importing these?) and also agricultural and seafood products to Japan.

The fact that UMEH is making money on production of Tiger Beer in Myanmar needs to be taken up in other parts of Asia, and also in North America and Europe, where Tiger is trying to expand its sales. As Tiger tries to become a recognizable global brand, it has to be attacked and be forced to recognize that it will not become globally accepted without withdrawing its brand completely from Burma.

Myawaddy Bank Ltd. – nothing like owning your own bank to keep your accounts in-house. Big question is what external connections does Myawaddy Bank have in other parts of Asia, and elsewhere?

Joint ventures
Myanmar Segye (Hong Kong company as partner – there needs to be more research on what is produced at this factory, and the Segye network (other Segye factories in other countries producing for which brands?)

Myanmar Daewoo – as this information shows, Daewoo has been a partner with the UMEH in this enterprise for some time. In fact, this investment, like those with Segye and Unimix, goes back to the mid-1990s. Pressure needs to be applied in South Korea against Daewoo, and a first step should be contacting the South Korean unions to get them on board with this campaign. The South Koreans have regularly called for support from unions and NGOs around the world for their struggles, and its now time for South Korean unions to provide some solidarity support for Burma.

More pressure needs to be brought on the international brands that are being brewed and sold in Burma by Myanmar Brewery Beer Production Co. This includes Tiger, ABC Stout, and Anchor. I saw all three of these brands still being consumed in Burma on a trip to Burma during the first quarter of 2005. This may require secondary boycotts of these brands in Asia and elsewhere.

Another South Korean target needs to be Pohon Iron and Steel Co., with is the joint venture partner of UMEH in the Myanmar Palsco Steel Co., Ltd.

More research needs to be done on Berger International Co. of Singapore, which is a joint venture partner with UMEH in Berger Paints Manufacturing Co., Ltd. The same goes for Mitsugi Corporation of Japan, listed as a joint venture of the UMEH in First Automotive Company, Ltd. Also, more research needed on P.T Semen Cibinong and P.T Prima Comexindo, Indonesia, which are joint ventures in Myanmar Cement Company.

The Myanmar Fair Price Private Ltd: Joint venture with NTUC Fair Price Co-operative Ltd, Singapore and opened as a super market in October 1995 – this is a particularly worrisome investment, since the NTUC is none other than the National Trade Union Congress of Singapore, the peak labor organization of that country. The fact that the NTUC would even consider investing with the Burmese military shows that the NTUC should not be considered a credible labor organization – and should be ostracized by other labor organizations until it can credibly explain why it made this investment, and show that it has pulled out of Burma.

Cement Ltd. Myanmar listed the “Cement Agency” of Germany as a joint-venture partner – what exactly is this Cement Agency? Can the European based campaigners please take note, and research this for a possible campaign if this business relationship still exists?

Myanmar Samgong Industrial Co. Ltd: Samgong Industrial Co. Ltd of Korea – here’s another one for the South Korean unions to work on.

Myanmar Kurosawa Trust Co., Ltd: Kurosawa Trust Company – this needs to be researched further, but it is interesting since the Kurosawa Foundation has been one of the most blatantly pro-junta international organizations on the international stage – helping Japanese television crews produce films to defend the junta against forced labor charges, and supporting conferences where regime supporters are given a stage to speak. If it turns out that this company is connected to the Kurosawa Foundation, and they have been getting gem concessions, this should be widely publicized and the Kurosawa Foundation strongly attacked.
Road to Mandalay tours – UMEH gets “5% of total income” from Road to Mandalay tours – Burma Campaign UK, please take note!

On the tourism front, it’s extremely interesting to see that the UMEH has 35.53 acres of prime beach front property in Ngapli Beach area, and has distributed it to various companies, including Asia World, which is controlled by world-class drug trafficker Lo-Hsing Han and his son, Steven Law. Sounds like a very promising anti-tourism campaign with some more research – if you go to the beach in Burma, you support the Burmese military AND the drug traffickers.